

MEXICO

SECTOR: Planning and Reform

PROJECT NAME: Technical Cooperation Loan to Support the Comisión Nacional Bancaria y de Valores de México (1069/OC - ME)

TOTAL COST: \$16 million

FINANCING:

IDB	\$ 8 million
LOCAL	\$ 8 million

DATE OF APPROVAL: December 3, 1997

GENERAL DESCRIPTION: The program's purpose is to strengthen the operating capacity of the National Banking and Securities Commission (CNBV). Specific objectives include: (a) consolidating progress made in banking supervision; (b) raising supervisory standards for all financial intermediaries, especially development banks and auxiliary credit organizations; (c) meeting the supervisory needs of the securities market; (d) developing a human resource management system and a continuous training process; and (e) developing information technology support. Two main groups of activities will be financed: (a) training activities to modernize supervisory processes, methodologies and practices; and (b) investments to consolidate the operating platform that supports supervisory work.

The modernization activity includes actions to: (a) strengthen the supervisory areas of development banks, auxiliary credit organizations and the securities market; (b) training activities in support of supervision; and (c) specific actions considered critical for the consolidation or increased supervision of full-service commercial banks. The operations platform activity includes: (a) consolidation of supervisory support systems; (b) development of the external network; (c) development of information technology supervisory mechanisms; and (d) consolidation of administrative management systems.

CONSULTANTS: Local and international consultants will be hired for both the supervision modernization and the operating platform components. Specialized training courses and seminars will be subcontracted out. In addition, the loan will cover retaining an independent firm of public accountants to audit the program's annual financial statements.

GOODS AND EQUIPMENT: Hardware and software will be procured.

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